



BRILLIANT CIRCLE HOLDINGS INTERNATIONAL LIMITED
貴聯控股國際有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code : 1008

INTERIM REPORT 2011

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Tsoi Tak (Chairman) (Redesignated from non-executive director on 14 April 2011)
Mr. Cai Xiao Ming, David (Vice chairman, Chief Executive Officer)
Mr. Cai Xiao Xing
Ms. Wu Sin Wah, Eva
Mr. Kiong Chung Yin, Yttox

Non-executive Director

Mr. Sean Xing He (appointed on 14 April 2011)

Independent non-executive Directors

Mr. Lam Ying Hung, Andy
Mr. Lui Tin Nang
Mr. Siu Man Ho, Simon

COMPANY SECRETARY

Mr. Yau Chung Hang, FCCA, CPA

AUDIT COMMITTEE

Mr. Lui Tin Nang
(chairman of the audit committee)
Mr. Lam Ying Hung, Andy
Mr. Siu Man Ho, Simon
Mr. Sean Xing He (appointed on 14 April 2011)

REMUNERATION COMMITTEE

Mr. Kiong Chung Yin, Yttox
(chairman of the remuneration committee)
Mr. Siu Man Ho, Simon
Mr. Lam Ying Hung, Andy
Mr. Lui Tin Nang
Mr. Sean Xing He (appointed on 14 April 2011)

NOMINATION COMMITTEE

Ms. Wu Sin Wah, Eva
(chairman of the nomination committee)
Mr. Siu Man Ho, Simon
Mr. Lam Ying Hung, Andy
Mr. Lui Tin Nang
Mr. Sean Xing He (appointed on 14 April 2011)

AUTHORISED REPRESENTATIVES

Mr. Cai Xiao Ming, David
Ms. Wu Sin Wah, Eva

AUDITOR

Deloitte Touche Tohmatsu
(appointed on 15 June 2011)

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Hong Kong and Shanghai Banking Corporation Limited
DBS Bank (Hong Kong) Limited
Dah Sing Bank Limited
The Bank of East Asia Limited

LEGAL ADVISERS

Cayman Islands:
Conyers Dill & Pearman

Hong Kong:
Michael Li & Co.

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

18th Floor, No.111 Leighton Road
Causeway Bay
Hong Kong

CORPORATE WEBSITE

www.bcghk.cn

STOCK CODE

1008

LISTING DATE

30 March 2009

CHAIRMAN'S STATEMENT

On behalf of the board (the "Board") of directors (the "Directors") of Brilliant Circle Holdings International Limited (the "Company") and its subsidiaries (together the "Group"), I am pleased to present the interim results of the Group for the six months ended 30 June 2011 (the "Period under Review").

The Period under Review is an important milestone for the Group, as we have successfully expanded our printing operations to a broader cigarette packaging market in the People's Republic of China ("PRC"), that offers many profitable opportunities. On the completion of a very substantial acquisition in April 2011, the Group has now become one of the largest cigarette package printing suppliers in the PRC. We have also changed our name to "Brilliant Circle Holdings International Limited" from the previous "CT Holdings (International) Limited", reflecting the strong brand name of our new and major operating entity.

The interim results of the Group for the Period under Review have been prepared in accordance with the principles of merger accounting. As a result, together with the six-month contribution of the newly acquired cigarette package printing business, the Group achieved a revenue of HK\$734.3 million with net profit attributable to equity holders amounting to HK\$184.2 million during the Period under Review. Basic earnings per share was HK27 cents. The Board has declared an interim dividend of HK5.19 cents per share for the Period under Review.

BUSINESS REVIEW

Book Printing

The business climate for western publishers in the Period under Review was challenging, as consumer demand for books dwindled constraining the industry growth. Diminished order size, shorter delivery lead time and reduced formats/specifications had become industry norm. Selling prices were contained at very competitive levels whilst labour wages in the PRC continued to rise. To alleviate this cost pressure and root out inefficiencies, the Group had implemented stringent cost control measures. In addition, the Group maintained its client portfolio, fortified its relationships with the existing customers. We also sought new prospects through book fairs and other channels. The Group erred on the side of prudence in respect of credit control for both old and new customers.

The market for printed books has entered a new era. Electronic books ("e-books") and electronic reading devices are gaining traction, prompting some publishers to launch titles in electronic formats in addition to the printed ones. Whilst how the market would develop preferring one over the other remains to be seen, it is certain that the industry would devote some resources into the e-books, hence limiting the demand growth of traditional printed books and in turn the printers.

Major Acquisition – Cigarette Package Printing

In view of the changing business environment, the Group has been looking for opportunities in the PRC market. In April 2011, the Group successfully acquired the entire issued share capital of Brilliant Circle Group Holdings Limited (formerly known as Brilliant Circle Holdings International Ltd.) which is one of the top players in PRC's cigarette package printing industry. PRC's cigarette market is not only one of the largest in the world in terms of smoking population and consumption, its growth has been uninterrupted. With over 20 years of solid operation record, Brilliant Circle Group Holdings Limited opens the door to PRC's lucrative cigarette package printing market for the Group. Earnings from the printing of cigarette package division contributed to the majority of the Group's results for the Period under Review.

Prospects

With its historical development, the rapid and consistent economic growth and rising Chinese consumer spending power, these are all key growth drivers for PRC's cigarette market. China National Tobacco Corporation, the industry authority, has set a policy target to encourage and foster a limited number of players to become dominant national brands, from the current mass of over a hundred of local brands. This consolidation trend allows some well-recognized brands to grow at a much faster pace than others. Our Group and its associate, currently supply to some of the most well recognized brands such as Fu Rong Wang (芙蓉王), Huang Shan (黄山), Hong Jin Long (紅金龍) and Baisha (白沙), etc, is best poised to benefit from this ongoing industry consolidation.

CHAIRMAN'S STATEMENT

The outlook of overseas printed book markets is likely to be clouded by the uncertain economic conditions in Europe and the United States in the near future. It is anticipated that demand for printed books will remain slack and the adverse market conditions may shake out some weaker book printers. The Group will continue to implement cost control measures and other management strategies to streamline the operation and stay competitive.

The Group is optimistic on the PRC's cigarette package printing growth and will continue to explore other opportunities in the market. In May 2011, the Group entered a conditional agreement to acquire the remaining equity interest in a subsidiary of Brilliant Circle Group Holdings Limited, namely Bengbu Jinhuangshan Rotogravure Printing Company Limited ("BB Jinhuangshan"). This acquisition was completed in July 2011 and has further strengthened the Group's market leadership. The Board is confident that cigarette package printing is a source of long term sustainable growth, and this in turn drives the Group's earnings growth.

Tsoi Tak

Chairman

31 August 2011

MANAGEMENT DISCUSSION AND ANALYSIS

BASIS OF PREPARATION OF INTERIM FINANCIAL INFORMATION

Pursuant to the sale and purchase agreement entered between CT Management Investments Limited (“CT Management”), a wholly-owned subsidiary of the Company, and Mr. Tsoi Tak, the controlling shareholder of the Company and Brilliant Circle, on 29 December 2010, CT Management conditionally agreed to acquire the entire equity interest in Brilliant Circle Group Holdings Limited at a consideration of HK\$2,400,000,000 to be satisfied by the allotment and issue of 480,000,000 new ordinary shares of the Company of HK\$0.01 each at an issue price of HK\$5 per share, a discount of approximately 29.78% to the closing price on 29 December 2010 (the “Combination”). Brilliant Circle Group Holdings Limited and its subsidiaries (collectively referred to as “Brilliant Circle”) is engaged in the printing of cigarette packages and manufacturing of laminated papers in the PRC. The Combination was completed on 14 April 2011. Since the Group and Brilliant Circle are both under the common control of Mr. Tsoi Tak prior to and after the Combination, the Combination of Brilliant Circle was considered as a business combination under common control, which has been accounted for using merger accounting with reference to the Accounting Guideline 5 “Merger Accounting For Common Control Combinations” (“AG5”) issued by the HKICPA, as if the Combination had occurred from 10 September 2009, the date when Brilliant Circle Group Holdings Limited was acquired by Mr. Tsoi Tak from an independent third party at a consideration of HK\$2,048,000,000 and thereby the Group and Brilliant Circle first came under common control of Mr. Tsoi Tak. Accordingly, the interim financial information has been prepared in accordance with the principles of merger accounting. The combined assets and liabilities of Brilliant Circle are included in the interim financial information since 10 September 2009 as if Brilliant Circle had been combined from the date when Brilliant Circle first came under the control of the controlling party of the Group and Brilliant Circle. As a result, the comparative figures in interim financial information have been restated accordingly. The application of AG5 is consistent with the Group’s previous common control combinations in previous financial years. Please refer to note 2 to the interim financial information for further details.

REVENUE

During the Period under Review, the revenue of the Group was approximately HK\$734.3 million, which represented an increase of approximately HK\$58.7 million or 8.7% when compared with the same period in 2010. The Group is engaged in three business activities including cigarette packages printing services, manufacturing of laminated paper and provision of other printing services and their revenue during the Period under Review were approximately HK\$592.2 million (30 June 2010: HK\$475.7 million), HK\$14.0 million (30 June 2010: HK\$17.5 million) and HK\$128.1 million (30 June 2010: HK\$182.4 million) respectively.

Owing to further brand consolidation in the cigarette industry and brand portfolio mix upgrade resulting in increased demand for products with higher printing value, which made both the Group’s average selling price and sales volume increased during the Period under Review. As a result, revenue in cigarette packages printing services was increased by approximately HK\$116.5 million, partly offset by the decrease in revenue generated from manufacturing of laminated papers and provision of other printing services by HK\$3.5 million and HK\$54.3 million respectively when compared with the same period in 2010.

GROSS PROFIT

During the Period under Review, gross profit increased by approximately HK\$20.3 million, or 10.4% to HK\$216.1 million as compared with the same period in 2010. Such increase was in line with the increment in revenue. As a result of the increase in demand for products with higher printing value, the gross profit margin slightly increased from 29.0% to 29.4% as compared with the same period in 2010.

OTHER INCOME

Other income mainly represents interest income, processing fee income and income from sales of scrap materials. During the Period under Review, such income decreased by approximately HK\$0.6 million as compared with the same period in 2010.

OTHER GAINS AND LOSSES

Other gains and losses mainly represents the exchange gain or losses and gain on disposal of property, plant and equipment. During the Period under Review, such income increased by approximately HK\$8.7 million, which was mainly caused by the increase in exchange gain.

MANAGEMENT DISCUSSION AND ANALYSIS

SELLING AND DISTRIBUTION EXPENSES

During the Period under Review, the selling and distribution expenses were approximately HK\$19.8 million (2010: HK\$32.5 million), which represented a significant decrease of HK\$12.7 million or 39.0% when compared with the same period in 2010. The decrease was mainly due to the decrease in commission fees paid to agents for soliciting sales orders and reduction in freight and transportation costs for shipment to overseas customers.

ADMINISTRATIVE EXPENSES

Administrative expenses during the Period under Review amounted to HK\$36.3 million, which represented an increase of approximately HK\$4.6 million when compared with the same period in 2010. In 2010, the administrative expenses were partly offset by the reversal of impairment on trade receivable of approximately HK\$3.4 million. There was no such reversal during the Period under Review.

FINANCE COSTS

Finance costs decreased slightly by approximately HK\$0.7 million during the Period under Review, which was in line with the decrease in the average balances of secured bank loans and obligations under finance lease.

LOSS ON DISPOSAL OF PARTIAL INTEREST IN AN ASSOCIATE

As a result of the Combination, the corresponding figures for the six months ended 30 June 2010 have been restated and the Group has recorded a loss on disposal of partial interest in an associate, which was arrived from the disposal of a 13.85% equity interest in Changde Goldroc Rotogravure Printing Co., Limited ("CD Goldroc"). Upon the application of the Combination, the loss on such disposal of partial interest in an associate as recorded by Brilliant Circle was adjusted to HK\$114.9 million (with reference to the fair value of CD Goldroc of HK\$1,235.0 million) from HK\$14.6 million (with reference to the carrying amount of HK\$528.0 million). Accordingly, on the basis of the Combination, for the corresponding period ended 30 June 2010, as restated, the Group has recorded a loss on the disposal of partial interest in an associate of HK\$114.9 million.

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

During the Period under Review, profit attributable to owners of the Company was approximately HK\$184.2 million, representing an increase of approximately HK\$169.0 million when compared with the same period in 2010. Such substantial growth was mainly because the Company's result in the same period last year was significantly lower than before, due to a loss of approximately HK\$114.9 million from the disposal of partial interest in an associate incurred during the six months period ended 30 June 2010. Other important factors that contributed to the increase included the increase in gross profit and the decrease in the selling and distribution expenses and profit attributable to the non-controlling shareholders.

SEGMENTAL INFORMATION

During the Period under Review, the earnings from the cigarette packages printing services, manufacturing of laminated papers and provision of other printing services were approximately HK\$184.8 million (30 June 2010: HK\$146.1 million), HK\$2.8 million (30 June 2010: HK\$4.3 million) and HK\$12.7 million (30 June 2010: HK\$17.0 million) respectively. Earnings from the cigarette packages printing services accounting for about 92.3% of the total segment earnings before unallocated items, increased by approximately 26.5% due to the growth in revenue, while the earnings from manufacturing of laminated papers and provision of other printing services decreased by approximately 34.9% and 25.1% respectively.

FINANCIAL POSITION AND LIQUIDITY

The Group generally finances its operations with internally generated resources and banking facilities provided by its bankers. As at 30 June 2011, the Group had net current assets of HK\$117.9 million, while the Group's cash and cash equivalents amounted to HK\$264.8 million.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL POSITION AND LIQUIDITY *(continued)*

As at 30 June 2011, the interest-bearing bank loans of the Group amounted to HK\$291.6 million which were repayable within one year, of which HK\$279.5 million were secured. The interest-bearing obligations under finance leases amounted to HK\$11.6 million of which approximately HK\$9.4 million were repayable within one year. Carrying amount of prepaid lease payments, property, plant and equipment and bank deposits pledged for securing these credit facilities amounted to approximately HK\$20.9 million, HK\$193.5 million and HK\$46.8 million respectively.

As at 30 June 2011, the Group's gearing ratio, represented by the amount of interest-bearing borrowings divided by shareholders equity, was 14.9% (as at 31 December 2010: 18.1%). The improvement in the gearing ratio was mainly due to the repayment of the interest-bearing borrowings during the Period under Review. As at 30 June 2011, capital commitment of the Group for purchase of property, plant and equipment amounted to HK\$3.4 million. Save as disclosed in this report, as at 30 June 2011, the Group did not have any concrete plans for material investments and capital assets.

CONTINGENT LIABILITIES AND GUARANTEES

As at 30 June 2011, a subsidiary of the Group has issued a corporate guarantee of RMB260 million (equivalent to HK\$313.3 million) to a bank to secure the banking facilities granted to a related company and the maximum liability of the Group under the guarantee was RMB260 million (equivalent to HK\$313.3 million). The corporate guarantee provided by the subsidiary of the Group has been subsequently terminated in August 2011.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Period under Review, the acquisition of the entire issued share capital of Brilliant Circle was successfully completed, in consideration of which 480,000,000 new shares of the Company were issued at HK\$5 each. In addition, the Group has entered into a conditional sales and purchase agreement to acquire the entire equity interest in Champion League Investment Holdings Limited, which is indirectly beneficially interested in 47.36% equity interest in BB Jinhuangshan, at a consideration of HK\$630 million. The consideration was satisfied by the payment of HK\$50 million in cash with the remaining consideration to be satisfied by way of issue of the promissory note. In July 2011, the acquisition was completed and, BB Jinhuangshan has become an indirect wholly-owned subsidiary of the Company.

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

Pursuant to the plan on use of proceeds as stated in the prospectus of the Company dated 18 March 2009, as at 30 June 2011, a total of approximately HK\$28.0 million from the funds raised under the Company's initial public offering had been utilized, of which approximately HK\$22.4 million had been used in purchasing new machinery and equipment, while the general working capital and the expenses incurred for participating in international book fairs and trade shows amounted to HK\$4.4 million and HK\$1.2 million respectively. The rest of the proceeds amounting to HK\$19.3 million had been placed in short term deposits in banks in Hong Kong.

CAPITAL STRUCTURE

During the Period under Review, the Group's operation was mainly financed by funds generated from its operation and borrowings. As at 30 June 2011, the borrowings were mainly denominated in Hong Kong dollars, Renminbi and United States dollars ("US dollars"), while the cash and cash equivalents held by the Group were mainly denominated in Hong Kong dollars and Renminbi. All of the Group's borrowings were variable rate borrowings and no hedging has been employed by the Group during the Period under Review. The Group's revenue is mainly denominated in Renminbi, US dollars, Pounds Sterling, Euros and Hong Kong dollars, while its costs and expenses are mainly denominated in US dollars, Hong Kong dollars and Renminbi. As the Board considers that the risk exposure to foreign exchange rate fluctuations is not significant, the Group does not have a formal hedging policy and has not entered into any material foreign currency exchange contracts or derivative transactions to hedge against its currency risks.

MANAGEMENT DISCUSSION AND ANALYSIS

SHARE CAPITAL

On 15 April 2011, 480,000,000 new shares were issued at HK\$5 each as consideration for acquiring the entire issued share capital of Brilliant Circle. Accordingly, the number of shares of the Company increased from 200,000,000 shares to 680,000,000. In addition, further 7,500,000 new shares were issued under the placing at HK\$8 each on 18 May 2011, which give the total number of issued shares to 687,500,000 as at 30 June 2011.

HUMAN RESOURCES

As at 30 June 2011, the Group had 53 and 1,241 full-time staff based in Hong Kong and the PRC respectively. The Group's remuneration packages are generally structured with reference to market terms and individual merits. The Group operates a defined contribution retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries. The Group also made contributions to provident funds, elderly insurance, medical insurance, unemployment insurance and work-related injury insurance in accordance with appropriate laws and regulations in the PRC. The Company has also adopted a share option scheme to provide incentive or reward to eligible high-calibre employees and attract human resources that are valuable to the Group.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has redeemed, purchased or sold any of the Company's shares during the Period under Review.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK5.19 cents per share for the Period under Review (30 June 2010: Nil) to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on 19 September 2011. The interim dividend will be paid on or about 20 September 2011.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 16 September 2011 to Monday, 19 September 2011 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the interim dividend for the Period under Review, all transfers of shares of the Company accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company's branch Share Registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m., Thursday, 15 September 2011.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARE UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2011, the following Directors or the chief executives of the Company had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO")) (i) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"):

(i) The Company

Name of Director	Capacity	Number of shares held	Position	Approximate percentage of issued share capital
Mr. Tsoi Tak	Interest of controlled corporation	135,000,000 (note 1)	Long	19.6%
	Beneficial owner	239,016,000	Long	34.8%
		374,016,000		54.4%
Mr. Cai Xiao Ming, David	Interest of controlled corporation	45,000,000 (note 2)	Long	6.5%

Notes:

- These shares are held by Profitcharm Limited, the entire issued share capital of which is wholly and beneficially owned by Mr. Tsoi Tak. By virtue of the SFO, Mr. Tsoi Tak is deemed to be interested in the entire 135,000,000 shares held by Profitcharm Limited. 30,000,000 shares were deposited with Ares BCH Holdings L.P. pursuant to the escrow agreement entered into among Mr. Tsoi Tak, Profitcharm Limited and Ares BCH Holdings L.P. dated 14 April 2011.
- These shares are held by Sinorise International Limited, the entire issued share capital of which is wholly and beneficially owned by Mr. Cai Xiao Ming, David. By virtue of the SFO, Mr. Cai Xiao Ming, David, is deemed to be interested in the entire 45,000,000 shares held by Sinorise International Limited.

(ii) Associated corporation

Name of associated corporation	Name of registered owner	Capacity	Position	Number of shares in the associated corporation	Approximate percentage of shareholding in the associated corporation
Profitcharm Limited	Mr. Tsoi Tak	Beneficial owner	Long	200 shares of US\$1.00 each	100%

OTHER INFORMATION

PERSONS WHO HAVE AN INTEREST OR SHORT POSITION WHICH IS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO

So far as is known to the Directors and chief executives of the Company, as at 30 June 2011, the following persons (not being a Director or chief executive of the Company) had, or were deemed to have, interest or a short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of shareholder	Capacity	Number of shares held	Position	Approximate percentage of issued share capital
Profitcharm Limited (note 1)	Beneficial owner	135,000,000	Long	19.6%
Sinorise International Limited (note 2)	Beneficial owner	45,000,000	Long	6.5%
Ares BCH Holdings L.P.	Beneficial owner	120,074,160	Long	17.5%
ACOF Asia Management L.P.	Interest of corporation controlled	120,074,160	Long	17.5%
Ares Management (Cayman) Ltd.	Interest of corporation controlled	120,074,160	Long	17.5%
Partners Group Holding AG	Beneficial owner	50,961,240	Long	7.4%

Notes:

1. Profitcharm Limited is a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. Tsoi Tak. 30,000,000 shares were deposited with Ares BCH Holdings L.P. pursuant to the escrow agreement entered into among Mr. Tsoi Tak, Profitcharm Limited and Ares BCH Holdings L.P. dated 14 April 2011.
2. Sinorise International Limited is a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. Cai Xiao Ming, David.

CORPORATE GOVERNANCE

The Company had met the relevant code provisions set out in the Code on Corporate Governance Practices based on the principles set out in Appendix 14 to the Listing Rules during the Period under Review except for the provision E.1.2 of the Code on Corporate Governance Practices in that the chairman of the Board was absent from the annual general meeting of the Company held on 31 May 2011 due to business matters.

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Directors confirmed that during the Period under Review, all Directors have complied with the required standard set out in the Model Code.

OTHER INFORMATION

SHARE OPTION SCHEME

On 4 March 2009, the shareholders of the Company had approved and adopted a share option scheme (the "Share Option Scheme"). Key terms of the Share Option Scheme are summarized below:

- (i) The purpose of the Share Option Scheme is to provide incentive or reward to eligible persons for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which the Group holds any equity interest.
- (ii) Qualifying participants of the Share Option Scheme include any employee, executive and non-executive directors, customer or supplier of goods or services to any member of the Group, consultant, adviser, manager, officer or entity that provide research, development or other technological support to the Group or its member(s).
- (iii) The total number of shares in respect of which options may be granted under the Share Option Scheme is 20,000,000 shares, being 10% of the total number of shares in issue as at 30 March 2009, the listing date on the Stock Exchange.
- (iv) The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company, must not, in aggregate, exceed 30% of the total number of shares in issue from time to time.
- (v) Unless approved by shareholders in general meeting, the total number of shares issued and to be issued upon exercise of all options granted to any eligible participant under the Share Option Scheme in the 12 month period up to and including such further grant must not exceed 1% of the total number of shares in issue.
- (vi) The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date of adoption of the Share Option Scheme, after which period no further option shall be granted.
- (vii) A non-refundable consideration of HK\$1 is payable on acceptance of the offer of grant of an option. An offer of grant of an option may be accepted by an eligible person within the date as specified in the offer letter issued by the Company, being a date not later than 21 business days from the date offer is made.
- (viii) An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period (which may not expire later than 10 years from the date of the grant) to be notified by the Board at its sole discretion. There is no performance target that has to be achieved before the exercise of any option.
- (ix) The subscription price must be at least the higher of (1) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant; (2) the average of the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the immediately preceding five trading days; and (3) the nominal value of a Company's share .
- (x) The Board is entitled at any time within 10 years between 4 March 2009 and 3 March 2019 to offer the grant of an option to any qualifying participants.

Up to the date of this report, no option under the Share Option Scheme has yet been granted by the Board.

AUDIT COMMITTEE

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited condensed consolidated financial statements for the Period under Review with the Directors. In addition, the interim financial information of the Group for the Period under Review have also been reviewed by the independent auditor of the Company, Deloitte Touche Tohmatsu. The audit committee comprises the three independent non-executive Directors and one non-executive Director.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



TO THE BOARD OF DIRECTORS OF BRILLIANT CIRCLE HOLDINGS INTERNATIONAL LIMITED
(FORMERLY KNOWN AS CT HOLDINGS (INTERNATIONAL) LIMITED)
(Incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 12 to 36, which comprises the condensed consolidated statement of financial position of Brilliant Circle Holdings International Limited (the "Company") and its subsidiaries as of 30 June 2011, and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Without qualifying our review conclusion, we draw attention to the fact that the comparative figures in this interim financial information have been restated as a result of the Combination as defined and explained in note 2 to the interim financial information. Prior to the Combination, the interim financial information for the six months ended 30 June 2010 has been reviewed by another auditor who expressed an unmodified conclusion on that information on 26 August 2010 whereas the consolidated financial statements for the year ended 31 December 2010 were audited by the same auditor who expressed an unmodified opinion on those statements on 29 April 2011.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
31 August 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 June	
		2011 (Unaudited) HK\$'000	2010 (Unaudited)/ (Restated) HK\$'000
	Notes		
Revenue	4	734,328	675,622
Cost of sales		(518,211)	(479,793)
Gross profit		216,117	195,829
Other income		7,366	7,995
Other gains and losses		8,214	(527)
Selling and distribution expenses		(19,814)	(32,490)
Administrative expenses		(36,285)	(31,655)
Finance costs		(11,367)	(12,083)
Loss on disposal of partial interest in an associate	14	–	(114,866)
Share of profit of an associate		70,339	64,149
Profit before taxation		234,570	76,352
Taxation	6	(33,693)	(31,357)
Profit for the period	7	200,877	44,995
Exchange differences arising on translation		20,388	11,375
Total comprehensive income for the period		221,265	56,370
Profit for the period attributable to:			
– Owners of the Company		184,245	15,262
– Non-controlling interests		16,632	29,733
		200,877	44,995
Total comprehensive income attributable to:			
– Owners of the Company		202,421	25,708
– Non-controlling interests		18,844	30,662
		221,265	56,370
		HK\$	HK\$
Earnings per share			
– Basic	9	0.27	0.02

The notes on pages 17 to 36 form an integral part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2011		30 June 2011 (Unaudited) HK\$'000	31 December 2010 (Restated) HK\$'000
	Notes		
Non-current assets			
Property, plant and equipment	10	724,086	743,006
Prepaid lease payments	11	20,148	20,142
Goodwill	12	587,708	577,998
Intangible assets	13	71,031	73,382
Interest in an associate	14	519,150	560,899
Prepayment for acquisition of interest in a subsidiary	26	50,000	–
Deposits for property, plant and equipment		12,182	14,241
		1,984,305	1,989,668
Current assets			
Inventories		191,340	231,767
Prepaid lease payments	11	797	781
Trade and bills receivables	15	375,755	439,904
Other receivables, prepayments and deposits	16	48,812	68,760
Tax recoverable		–	1,007
Pledged bank deposits	20	46,802	42,538
Bank balances and cash		264,759	226,493
		928,265	1,011,250
Current liabilities			
Trade and bills payables	17	183,527	275,739
Other payables and accruals	18	75,144	90,985
Amount due to a controlling shareholder	19	208,981	47,405
Amounts due to non-controlling interests	19	24,428	2,875
Bank borrowings	20	291,601	366,578
Obligations under finance leases		9,422	12,010
Income tax payable		17,272	19,410
		810,375	815,002
Net current assets			
		117,890	196,248
Total assets less current liabilities			
		2,102,195	2,185,916
Non-current liabilities			
Obligations under finance leases		2,161	6,524
Deferred tax liabilities	6	62,694	51,262
		64,855	57,786
		2,037,340	2,128,130
Capital and reserves			
Share capital	21	6,875	2,000
Share premium and reserves		1,916,945	1,959,699
		1,923,820	1,961,699
Equity attributable to owners of the Company		113,520	166,431
		2,037,340	2,128,130

The notes on pages 17 to 36 form an integral part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months
ended 30 June 2010

Attributable to owners of the Company

	Share capital HK\$'000	Share premium HK\$'000	Statutory reserves HK\$'000 (Note a)	Other reserves HK\$'000 (Note b)	Dividend reserve HK\$'000	Exchange reserve HK\$'000	Retained	Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
							profits (Accumulated losses) HK\$'000			
At 1 January 2010, as originally stated	2,000	154,254	-	(79)	-	-	122,772	278,947	-	278,947
Adjustments for business combination under common control (Note d)	-	-	-	-	-	-	92,793	92,793	18,574	111,367
Deemed contribution from controlling shareholder	-	-	-	1,781,817	-	-	-	1,781,817	113,287	1,895,104
At 1 January 2010, as restated	2,000	154,254	-	1,781,738	-	-	215,565	2,153,557	131,861	2,285,418
Other comprehensive income for the period	-	-	-	-	-	10,446	-	10,446	929	11,375
Profit for the period	-	-	-	-	-	-	15,262	15,262	29,733	44,995
Total comprehensive income for the period	-	-	-	-	-	10,446	15,262	25,708	30,662	56,370
Deemed distribution to controlling shareholder (Note c)	-	-	-	-	-	-	(54,000)	(54,000)	-	(54,000)
Dividends paid to non- controlling interests	-	-	-	-	-	-	-	-	(37,836)	(37,836)
Transfer	-	-	5,991	-	-	-	(5,991)	-	-	-
At 30 June 2010 (unaudited)	2,000	154,254	5,991	1,781,738	-	10,446	170,836	2,125,265	124,687	2,249,952

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months
ended 30 June 2011

	Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Statutory reserves HK\$'000 (Note a)	Other reserves HK\$'000 (Note b)	Dividend reserve HK\$'000	Exchange reserve HK\$'000	Retained profits (Accumulated losses) HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2011	2,000	154,254	35,767	1,781,738	-	74,346	(86,406)	1,961,699	166,431	2,128,130
Other comprehensive income for the period	-	-	-	-	-	18,176	-	18,176	2,212	20,388
Profit for the period	-	-	-	-	-	-	184,245	184,245	16,632	200,877
Total comprehensive income for the period	-	-	-	-	-	18,176	184,245	202,421	18,844	221,265
Issue of shares in exchange of entire interest in Brilliant Circle Group Holdings Limited	4,800	4,262,400	-	(4,267,200)	-	-	-	-	-	-
Net proceeds from issue of shares upon placement	75	59,625	-	-	-	-	-	59,700	-	59,700
Deemed distribution to controlling shareholder (Note c)	-	-	-	-	-	-	(300,000)	(300,000)	-	(300,000)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(71,755)	(71,755)
Interim dividend for 2011	-	-	-	-	38,000	-	(38,000)	-	-	-
Transfer	-	-	11,341	-	-	-	(11,341)	-	-	-
At 30 June 2011 (unaudited)	6,875	4,476,279	47,108	(2,485,462)	38,000	92,522	(251,502)	1,923,820	113,520	2,037,340

Notes:

- As stipulated by the relevant laws and regulations for enterprises in the People's Republic of China (the "PRC"), the Company's PRC subsidiaries are required to maintain statutory reserves. Appropriation to such reserve is made out of profit after taxation as reflected in the statutory financial statements of the PRC subsidiaries while the amounts and allocation basis are decided by its board of directors annually. The statutory reserves can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue.
- Other reserves comprised (i) the merger reserve of HK\$79,000 which arose from the difference between the nominal value and premium of shares of subsidiaries acquired over the nominal value of the shares issued by the Company in exchange thereof; (ii) issue of 480,000,000 shares of the Company with fair value of HK\$4,267,200,000 at 14 April 2011 to the controlling shareholder of the Company in exchange of its entire equity interests in Brilliant Circle Group Holdings Limited (formerly known as Brilliant Circle Holdings International Limited) (together with its subsidiaries, collectively referred to as "Brilliant Circle") which were acquired by that controlling shareholder at 10 September 2009 using cash and certain listed shares held by him with fair value of HK\$1,781,817,000 in aggregate.
- The amount of HK\$54,000,000 and HK\$300,000,000 represented the distribution paid to the controlling shareholder of Brilliant Circle prior to the Combination.
- The adjustments represented the profit earned by Brilliant Circle from 10 September 2009, the date the Company's controlling shareholder acquired Brilliant Circle from an independent third party, to 31 December 2009, as if the Group and Brilliant Circle had been combined from 10 September 2009 using merger accounting.

The notes on pages 17 to 36 form an integral part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2011

	Six months ended 30 June	
	2011 (Unaudited) HK\$'000	2010 (Unaudited)/ (Restated) HK\$'000
NET CASH FROM OPERATING ACTIVITIES	150,877	152,175
INVESTING ACTIVITIES:		
Interests received	1,278	668
Repayment of amounts due from non-controlling interests	–	31,493
Deposit paid for and purchases of property, plant and equipment	(6,649)	(56,780)
Dividend received from an associate	123,850	114,721
Settlement of consideration for disposal of partial interest in an associate in prior period	40,851	–
Proceeds from disposal of property, plant and equipment	809	6,319
(Increase) decrease in pledged bank deposits	(4,264)	14,717
NET CASH FROM INVESTING ACTIVITIES	155,875	111,138
FINANCING ACTIVITIES		
Net proceeds from issue of shares by placement	59,700	–
New bank loans raised	298,236	500,710
Prepayment for acquisition of remaining interest in a subsidiary	(50,000)	–
Repayment of bank borrowings	(379,125)	(412,522)
Repayment to the controlling shareholder	(47,405)	(223,593)
Distribution to the controlling shareholder	(93,540)	(54,000)
Repayment of obligations under finance leases	(6,951)	(9,935)
Dividends paid to non-controlling interests	(50,489)	–
NET CASH USED IN FINANCING ACTIVITIES	(269,574)	(199,340)
NET INCREASE IN CASH AND CASH EQUIVALENTS	37,178	63,973
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	226,493	153,703
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	1,088	2,658
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, REPRESENTED BY BANK BALANCES AND CASH	264,759	220,334

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

1. GENERAL

The Company was incorporated in the Cayman Islands on 11 November 2008 as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is 18th Floor, No. 111, Leighton Road, Causeway Bay, Hong Kong.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are engaged in provision of the printing of package and decoration matters, research and development on printing technology, wholesale, import and export of the packaging products and other related services. After combination of the entire equity interest in Brilliant Circle Group Holdings Limited, the Group is also engaged in printing of cigarette packages and manufacturing of laminated papers.

Upon completion of combination, the directors of the Company reassessed the Company's functional currency and considered that the functional currency of the Company is changed from Hong Kong dollars ("HK\$") to Renminbi ("RMB") as RMB has become the currency that mainly influences the operation of the Group's significant entities after combination of Brilliant Circle. For the convenience of the users of the interim financial information, the interim financial information continues to be presented in HK\$, as the Company's shares are listed on the Stock Exchange.

2. BASIS OF PREPARATION

The interim financial information has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange and with Hong Kong Accounting Standard 34 ("HKAS 34") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Combination of the entire equity interest in Brilliant Circle Group Holdings Limited

Pursuant to the sale and purchase agreement entered between CT Management Investments Limited ("CT Management"), a wholly-owned subsidiary of the Company, and Mr. Tsoi Tak, the controlling shareholder of the Company and Brilliant Circle, on 29 December 2010, CT Management conditionally agreed to acquire the entire equity interest in Brilliant Circle Group Holdings Limited at a consideration of HK\$2,400,000,000 to be satisfied by the allotment and issue of 480,000,000 new ordinary shares of the Company of HK\$0.01 each at an issue price of HK\$5 per share, a discount of approximately 29.78% to the closing price on 29 December 2010 (the "Combination"). Brilliant Circle is engaged in the printing of cigarette packages and manufacturing of laminated papers in the PRC. The Combination was completed on 14 April 2011. At the date of completion, the fair value of shares issued by the Company, determined based on the quoted market price on 14 April 2011, amounted to HK\$4,267,200,000.

Further details are set out in the circular of the Company dated 28 March 2011.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

2. BASIS OF PREPARATION *(continued)*

Since the Group and Brilliant Circle are both under the common control of Mr. Tsoi Tak prior to and after the Combination, the Combination of Brilliant Circle was considered as a business combination under common control, which has been accounted for using merger accounting with reference to the Accounting Guideline 5 "Merger Accounting For Common Control Combinations" ("AG5") issued by the HKICPA, as if the Combination had occurred from 10 September 2009, the date when Brilliant Circle was acquired by Mr. Tsoi Tak from an independent third party at a consideration of HK\$2,048,000,000 and thereby the Group and Brilliant Circle first came under common control of Mr. Tsoi Tak. Accordingly, the interim financial information has been prepared in accordance with the principles of merger accounting. The combined assets and liabilities of Brilliant Circle are included in the interim financial information since 10 September 2009 as if Brilliant Circle had been combined from the date when Brilliant Circle first came under the control of the controlling party of the Group and Brilliant Circle. As a result, the comparative figures in interim financial information have been restated accordingly. The application of AG5 is consistent with the Group's previous common control combinations in previous financial years. The consideration was satisfied by cash and certain listed shares held by Mr. Tsoi Tak with fair value amounting to HK\$1,781,817,000 in aggregate at 10 September 2009.

The effects of the combination of Brilliant Circle on the results of the Group for the period ended 30 June 2010 and the financial position of the Group at 1 January and 31 December 2010 are summarised below.

	For the period ended 30 June 2010 (Unaudited) (Originally stated) HK\$'000	Brilliant Circle for the period ended 30 June 2010 (Unaudited) HK\$'000	For the period ended 30 June 2010 (Unaudited) (Restated) HK\$'000
Revenue	182,370	493,252	675,622
Cost of sales	(149,282)	(330,511)	(479,793)
Gross profit	33,088	162,741	195,829
Other income	2,165	5,830	7,995
Other gains and losses	–	(527)	(527)
Selling and distribution expenses	(16,103)	(16,387)	(32,490)
Administrative expenses	(16,665)	(14,990)	(31,655)
Finance costs	(1,937)	(10,146)	(12,083)
Loss on disposal of partial interest in an associate	–	(114,866)	(114,866)
Share of profit of an associate	–	64,149	64,149
Profit before taxation	548	75,804	76,352
Taxation	(100)	(31,257)	(31,357)
Profit for the period	448	44,547	44,995
Attributable to:			
– Owners of the Company	448	14,814	15,262
– Non-controlling interests	–	29,733	29,733
	448	44,547	44,995

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

2. BASIS OF PREPARATION *(continued)*

	At 31 December 2010 HK\$'000 (Originally stated)	Brilliant Circle at 31 December 2010 HK\$'000	At 31 December 2010 HK\$'000 (Restated)
Non-current assets			
Property, plant and equipment	121,002	622,004	743,006
Prepaid lease payments	–	20,142	20,142
Goodwill	–	577,998	577,998
Intangible assets	–	73,382	73,382
Interest in an associate	–	560,899	560,899
Deposits for property, plant and equipment	–	14,241	14,241
	121,002	1,868,666	1,989,668
Current assets			
Inventories	53,143	178,624	231,767
Prepaid lease payments	–	781	781
Trade and bills receivables	101,260	338,644	439,904
Other receivables, prepayments and deposits	11,909	56,851	68,760
Tax recoverable	–	1,007	1,007
Pledged bank deposits	25,082	17,456	42,538
Bank balances and cash	75,579	150,914	226,493
	266,973	744,277	1,011,250
Current liabilities			
Trade and bills payables	25,543	250,196	275,739
Other payables and accruals	7,230	83,755	90,985
Amount due to a controlling shareholder	–	47,405	47,405
Amounts due to non-controlling interests	–	2,875	2,875
Bank borrowings	36,557	330,021	366,578
Obligations under finance leases	11,979	31	12,010
Income tax payable	3,482	15,928	19,410
	84,791	730,211	815,002
Net current assets	182,182	14,066	196,248
Total assets less current liabilities	303,184	1,882,732	2,185,916
Non-current liabilities			
Obligations under finance leases	6,524	–	6,524
Deferred tax liabilities	8,767	42,495	51,262
	15,291	42,495	57,786
Net assets	287,893	1,840,237	2,128,130

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

2. BASIS OF PREPARATION *(continued)*

	At 1 January 2010 HK\$'000 (Originally stated)	Brilliant Circle at 1 January 2010 HK\$'000	At 1 January 2010 HK\$'000 (Restated)
Non-current assets			
Property, plant and equipment	147,720	598,231	745,951
Prepaid lease payments	–	20,160	20,160
Goodwill	–	560,081	560,081
Intangible assets	–	78,381	78,381
Interest in an associate	–	657,166	657,166
	147,720	1,914,019	2,061,739
Current assets			
Inventories	47,072	138,755	185,827
Prepaid lease payments	–	753	753
Trade and bills receivables	142,978	201,459	344,437
Other receivables, prepayments and deposits	5,092	63,677	68,769
Amount due from a controlling shareholder	–	329,447	329,447
Amounts due from non-controlling interests	–	109,018	109,018
Tax recoverable	–	1,007	1,007
Pledged bank deposits	25,306	45,203	70,509
Bank balances and cash	56,256	97,447	153,703
	276,704	986,766	1,263,470
Current liabilities			
Trade and bills payables	46,712	239,735	286,447
Other payables and accruals	12,759	270,305	283,064
Bank borrowings	39,782	327,251	367,033
Obligations under finance leases	15,006	1,944	16,950
Income tax payable	3,554	13,602	17,156
	117,813	852,837	970,650
Net current assets	158,891	133,929	292,820
Total assets less current liabilities	306,611	2,047,948	2,354,559
Non-current liabilities			
Obligations under finance leases	18,503	31	18,534
Deferred tax liabilities	9,161	41,446	50,607
	27,664	41,477	69,141
Net assets	278,947	2,006,471	2,285,418

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

3. PRINCIPAL ACCOUNTING POLICIES

The interim financial information has been prepared on the historical cost basis.

The accounting policies used in the interim financial information is consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010. In addition, the following accounting policies which are applied by the Group as they have become applicable to the Group as a result of the Combination.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from the sales of goods is recognised when goods are delivered and title has passed.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the condensed consolidated statement of financial position and is amortised over the lease term on a straight-line basis.

Change in functional currency

Functional currency of a group entity is changed only if there is a change to the underlying transactions, events and conditions relevant to the entity. The entity applied the translation procedures applicable to the new functional currency prospectively. At the date of the change, the entity translates all items into the new functional currency using the prevailing exchange rate at that date and the resulting translated amounts for non-monetary items are treated as their historical cost.

Deferred taxation associated with investments in subsidiaries and associates

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Interest in an associate

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Interest in an associate *(continued)*

The results and assets and liabilities of associates are incorporated in this interim financial information using the equity method of accounting. Under the equity method, investments in associates are initially recognised in the condensed consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

For the partial disposal of interest in an associate, the difference between the carrying amount of the interest in an associate and its fair value has been recognised in profit or loss. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment).

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's interim financial information only to the extent of interests in the associate that are not related to the Group.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

In addition, in the current interim period, the Group has applied, for the first time, a number of new and revised standards and interpretations ("new and revised HKFRSs") issued by the HKICPA.

The application of these new and revised HKFRSs in the current interim period has had no material effect on the amounts reported in the interim financial information and/or disclosures set out in the interim financial information.

The Group has not early applied new or revised standards that have been issued but are not yet effective. The following new or revised standards have been issued after the date of the consolidated financial statements for the year ended 31 December 2010 were authorised for issuance and are not yet effective:

HKAS 1 (Amendment)	Presentation of Items of other Comprehensive Income ¹
HKAS 19 (Revised 2011)	Employee Benefits ²
HKFRS 10	Consolidated Financial Statements ²
HKFRS 11	Joint Arrangements ²
HKFRS 12	Disclosures of Interests in Other Entities ²
HKFRS 13	Fair Value Measurement ²
HKFRS 27 (as revised in 2011)	Separate Financial Statements ²
HKFRS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ²

¹ Effective for annual periods beginning on or after 1 July 2012

² Effective for annual periods beginning on or after 1 January 2013

The five new or revised standards on consolidation, joint arrangements and disclosures were issued by the HKICPA in June 2011 and are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five new or revised standards are applied early at the same time. The directors of the Company anticipate that these new or revised standards will be applied in the Group's consolidated financial statements for financial year ending 31 December 2013 and the potential impact is described below.

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios including scenarios where an investor may control an investee with less than majority voting rights. Overall, the application of HKFRS 10 requires extensive use of judgement.

Other than described above, the directors of the Company anticipate that the application of the new or revised standards may not have no material impact on the results and the financial position of the Group.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

4. REVENUE

	Six months ended 30 June	
	2011 (Unaudited) HK\$'000	2010 (Unaudited)/ (Restated) HK\$'000
Revenue		
Printing of cigarette packages	592,200	475,737
Provision of printing services	128,141	182,370
Manufacturing of laminated papers	13,987	17,515
	734,328	675,622

5. SEGMENT INFORMATION

Information reported to the Board of Directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Before the Combination (defined in note 2), there was only one operating segment in the internal reporting to the CODM, which is related to provision of printing services in Hong Kong and overseas markets. After the Combination, the CODM also reviews each of the operating results of printing of cigarette packages and manufacturing of laminated papers.

Accordingly, the Group's operating and reportable segments currently are (i) provision of printing services (ii) printing of cigarette packages and (iii) manufacturing of laminated papers. The CODM considered the Group has three operating and reportable segments which are based on the internal organisation and reporting structure. The comparative figures have been restated as a result of the Combination. This is the basis upon which the Group is organised.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

5. SEGMENT INFORMATION (continued)

The following is an analysis of the Group's revenue and results by operating and reportable segments:

	Segment revenue		Segment results	
	Six months ended 30 June		Six months ended 30 June	
	2011	2010	2011	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)/ (Restated)	(Unaudited)	(Unaudited)/ (Restated)
Segment revenue and segment results:				
Printing of cigarette packages	592,200	475,737	184,786	146,099
Provision of printing services	128,141	182,370	12,717	16,985
Manufacturing of laminated papers	13,987	17,515	2,804	4,275
	734,328	675,622	200,307	167,359
Unallocated income and gains			15,580	7,468
Unallocated expenses			(40,289)	(35,675)
Finance costs			(11,367)	(12,083)
Loss on disposal of partial interest in an associate			-	(114,866)
Share of profit of an associate			70,339	64,149
Profit before taxation			234,570	76,352

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

	Segment assets		Segment liabilities	
	30 June	31 December	30 June	31 December
	2011	2010	2011	2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Restated)	(Unaudited)	(Restated)
Segment assets and liabilities:				
Printing of cigarette packages	972,392	1,095,204	157,445	248,294
Provision of printing services	276,029	278,407	25,864	25,543
Manufacturing of laminated papers	23,108	22,584	218	1,902
Total segment assets and liabilities	1,271,529	1,396,195	183,527	275,739
Unallocated	1,641,041	1,604,723	691,703	597,049
	2,912,570	3,000,918	875,230	872,788

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

5. SEGMENT INFORMATION *(continued)*

Segment profit represents the profit earned by each segment without allocation of corporate management expenses, directors' emoluments, share of profit of an associate, finance costs, income tax expenses, loss on disposal of partial interest in an associate, unallocated income, gains and expenses. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

Segment assets represent property, plant and equipment, trade and bills receivables, inventories which are directly attributable to the relevant operating and reportable segment. Segment liabilities represent trade and bills payables which are directly attributable to the relevant operating and reportable segment. These are the measure reported to the Chief Executive Officer for the purpose of resource allocation and assessment of segment performance.

All of the segment revenue reported above is from external customers.

6. TAXATION

	Six months ended 30 June	
	2011 (Unaudited) HK\$'000	2010 (Unaudited)/ (Restated) HK\$'000
The charge comprises:		
Current tax:		
Hong Kong Profits Tax	–	9
The PRC Enterprise Income Tax ("EIT")	29,370	23,726
Withholding tax	7,401	9,568
Overprovision in prior periods	(5,022)	–
Deferred taxation	1,944	(1,946)
	33,693	31,357

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for the six months ended 30 June 2011.

The PRC EIT is calculated at the applicable prevailing tax rates from 15% to 25% (2010:15% to 25%) in the PRC. Pursuant to the "Enterprise Income Tax Law for Foreign Investment Enterprises and Foreign Enterprises", some PRC subsidiaries, being a High-Tech Enterprise, were entitled to a reduced PRC EIT rate of 15% for the years from 2010 to 2012.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

6. TAXATION *(continued)*

Upon the New Tax Law and Implementation Regulations, PRC withholding income tax is applicable to dividends payable to investors that are “non-PRC tax resident enterprises”, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends have their sources within the PRC. Under such circumstances, dividends distributed from the PRC subsidiaries to non-PRC tax resident group entities shall be subject to the withholding income tax at 10% or a lower tax rate, as applicable. Under the relevant tax treaty, withholding tax rate on distribution to Hong Kong resident companies is 5%. Deferred taxation has been provided on undistributed earnings of all subsidiaries and an associate.

Deferred taxation is recognised in profit or loss in both periods on temporary differences in relation to accelerated tax depreciation and undistributed profits of subsidiaries and associate.

7. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2011 (Unaudited) HK\$'000	2010 (Unaudited)/ (Restated) HK\$'000
Profit for the period has been arrived at after charging (crediting):		
Staff costs:		
Directors' emoluments	1,137	1,329
Other staff costs		
Salaries and other benefits	50,534	51,992
Contributions to retirement benefits schemes	2,860	2,609
	54,531	55,930
Release of prepaid lease payments	395	377
Amortisation of intangible assets (included in cost of sales)	4,020	4,020
Depreciation of property, plant and equipment	39,214	33,100
Operating lease rentals in respect of rented premises	2,237	1,842
Reversal of impairment on trade receivables	-	(3,425)
Written off long aged trade payables	-	(3,589)
and after crediting to other income:		
Interest income	(1,278)	(668)
Processing fee income	(2,127)	(480)
Sales of scrap materials	(1,944)	(3,225)
and after charging (crediting) to other gains and losses:		
Gain on disposal of property, plant and equipment	(470)	(897)
Net foreign exchange (gain) loss	(7,744)	1,424

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

8. DIVIDENDS

No dividends were paid, declared or proposed during the reporting period. Subsequent to the end of the interim period, the directors have determined that an interim dividend of HK5.19 cents per share amounting to HK\$38,000,000 (30 June 2010: Nil) will be paid to the owners of the Company whose names appear in the Register of Members on 19 September 2011 (30 June 2010: Nil).

9. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2011 (Unaudited) HK\$'000	2010 (Unaudited)/ (Restated) HK\$'000
Earnings for the purpose of basic earnings per share	184,245	15,262

	Number of shares Six months ended 30 June	
	2011 (Unaudited) '000	2010 (Unaudited)/ (Restated) '000
Weighted average number of shares for the purpose of basic earnings per share	681,875	680,000

The weighted average number of shares for the purpose of basic earnings per share for the period ended 30 June 2010 and 2011 had taken into account the issue of 480,000,000 new shares in exchange of the entire equity interest in Brilliant Circle Group Holdings Limited as if they had been issued upon Combination on 10 September 2009 (as explained in Note 2).

No dilutive earnings per share is presented as the Group did not have any potential ordinary shares during both periods.

10. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group disposed of certain plant and machinery with a carrying amount of approximately HK\$339,000 (30 June 2010: HK\$5,422,000) for cash proceeds of approximately HK\$809,000 (30 June 2010: HK\$6,319,000), resulting in a gain on disposal of approximately HK\$470,000 (30 June 2010: HK\$897,000).

In addition, during the current period, the Group spent approximately HK\$8,708,000 (30 June 2010: HK\$45,667,000) for the acquisition of property, plant and equipment to expand its operations which mainly included approximately HK\$3,364,000 (30 June 2010: HK\$37,294,000) in construction in progress.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

11. PREPAID LEASE PAYMENTS

	30 June 2011 (Unaudited) HK\$'000	31 December 2010 (Restated) HK\$'000
Analysed for reporting purposes as:		
Current assets	797	781
Non-current assets	20,148	20,142
	20,945	20,923

The Group's prepaid lease payments are located in the PRC which are held under medium-term lease.

12. GOODWILL

	30 June 2011 (Unaudited) HK\$'000	31 December 2010 (Restated) HK\$'000
At beginning of the period/year	577,998	560,081
Exchange difference	9,710	17,917
At end of period/year	587,708	577,998

For the purpose of impairment testing, goodwill has been allocated to two individual cash generating units ("CGUs"), comprising three subsidiaries in printing of cigarette packages segment and one subsidiary on the manufacturing of laminated papers segment. During the period ended 30 June 2011, management of the Group determines that there are no impairments of any of its CGUs containing goodwill.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

13. INTANGIBLE ASSETS

	Customer relationship (Restated) HK\$'000
COST	
At 1 January 2010	80,391
Exchange difference	3,041
At 31 December 2010	83,432
Exchange difference	1,669
At 30 June 2011	85,101
ACCUMULATED AMORTISATION	
At 1 January 2010	2,010
Provided for the year	8,040
At 31 December 2010	10,050
Provided for the period	4,020
At 30 June 2011	14,070
CARRYING VALUES	
At 30 June 2011	71,031
At 31 December 2010	73,382

Intangible assets represent customer relationship in Brilliant Circle acquired in a business combination during the year 2009. Brilliant Circle has long and close business relationship with the major customers. The acquisition of the customer base has allowed the Group to stabilise the revenue base from packaging and printing business. Amortisation is provided to write off the cost of the customer relationship using the straight-line method over the estimated life of the customer relationship of 10 years.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

14. INTEREST IN AN ASSOCIATE

As at 30 June 2011 and 31 December 2010, the Group had interest in the following associate:

Name of entity	Percentage of registered capital directly held by the Group	Place of establishment/ operation	Registered capital	Principal activity
常德金鵬凹版印刷有限公司 (Changde Goldroc Rotogravure Printing Co., Ltd.)	35%	PRC	RMB163,052,000	Provision for cigarette printing package services

During the period ended 30 June 2010, the Group disposed of 13.85% equity interest in an associate to a third party at a consideration of approximately HK\$40,851,000 and resulted in a loss on disposal of partial interest in an associate of approximately HK\$114,866,000. The consideration was settled in the current interim period. For the purpose of impairment testing, the recoverable amount of the associate has been determined based on a value in use calculation. In determining the value in use of the investment, the Group estimated its share of the present value of the estimated future cash flows expected to be generated by the associate. The directors of the Company considered there is no impairment of interest in an associate.

15. TRADE AND BILLS RECEIVABLES

The Group allows a credit period of 90 days to its trade customers. The following is an aged analysis of trade and bills receivables net of allowance for doubtful debts presented based on the invoice date at the end of reporting period.

	30 June 2011 (Unaudited) HK\$'000	31 December 2010 (Restated) HK\$'000
0 – 90 days	303,953	347,528
91 – 180 days	58,378	64,479
181 – 365 days	2,762	14,109
Over 365 days	10,662	13,788
	375,755	439,904

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

16. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	30 June 2011 (Unaudited) HK\$'000	31 December 2010 (Restated) HK\$'000
Trade deposits refundable within one year	29,400	49,409
Prepayment for material purchase	17,745	17,883
Rental, utility and sundry deposits	1,525	1,184
Staff advances	142	284
	48,812	68,760

17. TRADE AND BILLS PAYABLES

The following is an aged analysis of trade and bills payables by age, presented based on the invoice date at the end of the reporting period.

	30 June 2011 (Unaudited) HK\$'000	31 December 2010 (Restated) HK\$'000
0 – 30 days	99,326	193,997
31 – 90 days	59,774	70,401
91 – 180 days	24,100	11,089
181 – 365 days	207	237
Over 365 days	120	15
	183,527	275,739

18. OTHER PAYABLES AND ACCRUALS

	30 June 2011 (Unaudited) HK\$'000	31 December 2010 (Restated) HK\$'000
Other payables and accruals	63,787	67,214
Salary payables	9,427	23,662
Advanced from customers	1,930	109
	75,144	90,985

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

19. AMOUNTS DUE TO A CONTROLLING SHAREHOLDER/NON-CONTROLLING INTERESTS

The amounts are unsecured, interest-free and repayable on demand.

20. BANK BORROWINGS

	30 June 2011 (Unaudited) HK\$'000	31 December 2010 (Restated) HK\$'000
Bank borrowings comprise:		
Secured	279,548	307,498
Unsecured	12,053	59,080
	291,601	366,578

	30 June 2011 (Unaudited) HK\$'000	31 December 2010 (Restated) HK\$'000
Breakdown of the bank borrowings:		
Fixed-rate borrowing	–	47,264
Floating-rate borrowing	291,601	319,314
	291,601	366,578

At the end of reporting period, the ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's bank borrowings are as follows:

	30 June 2011 (Unaudited)	31 December 2010 (Restated)
Fixed-rate borrowings	N/A	5.1% to 5.8%
Floating-rate borrowings	3.0% to 6.4%	3.0% to 5.8%

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

20. BANK BORROWINGS (continued)

At the end of reporting period, the following assets were pledged to secure the bank borrowings:

	30 June 2011 (Unaudited) HK\$'000	31 December 2010 (Restated) HK\$'000
Bank deposits	46,802	42,538
Trade receivables	27,831	31,892
Property, plant and equipment	193,508	187,979
Prepaid lease payments	20,945	20,923

21. SHARE CAPITAL

	Number of shares	Nominal value HK\$'000
Authorised: Ordinary shares of HK\$0.01 each At 1 January 2010, 30 June 2010, 31 December 2010 and 30 June 2011	1,000,000,000	10,000
Issued and fully paid: Ordinary shares of HK\$0.01 each At 1 January 2010, 30 June 2010 and 31 December 2010	200,000,000	2,000
At 1 January 2011	200,000,000	2,000
Issued as consideration for combination of Brilliant Circle	480,000,000	4,800
Issued on placement	7,500,000	75
At 30 June 2011	687,500,000	6,875

Note: Pursuant to the placement agreement dated 11 May 2011, 7,500,000 shares of HK\$0.01 each were placed to an independent third party at a price of HK\$8.0 per share, market price at the date of issue. All shares issued during the period ranked pari passu with other shares in issue in all respects.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

22. RELATED PARTY TRANSACTIONS

(a) Compensation of key management personnel

The remuneration of directors and other members of key management during the period was as follows:

	Six months ended 30 June	
	2011 (Unaudited) HK\$'000	2010 (Unaudited)/ (Restated) HK\$'000
Salaries, allowances and other short-term employee benefits	3,580	3,495
Contribution to retirement benefits schemes	66	71
	3,646	3,566

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

- (b) Balances with related parties are disclosed in the condensed consolidated statement of financial position respectively.
- (c) A subsidiary of the Company has issued a corporate guarantee of RMB260 million (equivalent to HK\$313 million) to a bank to secure the banking facilities granted to a related company which is wholly-owned by Mr. Tsoi Tak.

23. CAPITAL COMMITMENTS

At the end of reporting period, the Group had outstanding capital commitments as follows:

	30 June 2011 (Unaudited) HK\$'000	31 December 2010 (Restated) HK\$'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the interim financial information	3,418	2,479

24. CONTINGENT LIABILITIES

As at 30 June 2011, a subsidiary of the Company has issued a corporate guarantee of RMB 260 million (equivalent to HK\$313 million) to a bank to secure the banking facilities granted to a related company which is wholly-owned by Mr. Tsoi Tak, the controlling shareholder of the Company, and the amount of RMB 245 million (equivalent to HK\$295 million) was utilised by the related company. The fair value of the financial guarantee is insignificant on initial recognition. Provision for financial guarantee has not been made in the interim financial information as the default risk of the related company is considered as low. The corporate guarantee provided by the subsidiary of the Company has been released in August 2011 in accordance with the supplementary bank borrowing agreement.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2011

25. MAJOR NON-CASH TRANSACTION

During the period ended 30 June 2010, dividend declared to non-controlling shareholder of approximately HK\$37,836,000 was settled through the amount due from non-controlling shareholder.

26. EVENT AFTER THE REPORTING PERIOD

- (a) Pursuant to the conditional sale and purchase agreement entered between Brilliant Circle Development Limited ("BC Development"), a wholly-owned subsidiary of the Company, and Best Modern Holdings Limited, the shareholder of Champion League Investment Holdings Limited, signed on 24 May 2011, BC Development has conditionally agreed to purchase the entire equity interest in Champion League Investment Holdings Limited and its subsidiary, Sanbond Investment Limited (collectively referred to as "Champion Group"), which is indirectly beneficially interested in 47.36% equity interest of Bengbu Jinhuangshan Rotogravure Printing Company Limited ("BB Jinhuangshan"), at a consideration of HK\$630 million. BB Jinhuangshan is a non-wholly owned subsidiary of the Company. The consideration shall be satisfied by BC Development as to HK\$50 million in cash and as to HK\$580 million (subject to adjustment) by way of the issue of promissory note. Upon completion of acquisition, BB Jinhuangshan will become an indirect wholly-owned subsidiary of the Company.

The acquisition was approved by the independent shareholders at extraordinary general meeting held in July 2011.

The acquisition has been completed on 15 July 2011. No gain or loss has been recognised in profit or loss upon completion of acquisition as the transaction is accounted for as an equity transaction.

Details of the conditional sale and purchase agreement are set out in the announcement and the circular of the Company dated 30 May 2011 and 24 June 2011 respectively.

- (b) Pursuant to the placement agreement dated 15 July 2011, 45,000,000 shares of HK\$0.01 each were placed to an independent third party at a price of HK\$6.50 per share. The placing price of HK\$6.50 per placing share represents: (i) a discount of approximately 11.44% to the closing price of HK\$7.34 per share as quoted on the Stock Exchange on the last trading day; and (ii) a discount of approximately 11.56% to the average of the closing prices per share of approximately HK\$7.35 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the placement agreement. The placing shares represent approximately 6.14% of the issued share capital of the Company as enlarged by the allotment and issue of the placing shares.